

Message Text

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ACTION PM-04

INFO OCT-01 NEA-10 ISO-00 CIAE-00 DODE-00 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 MC-02 TRSE-00 OMB-01 DHA-02 IO-13 IGA-02
AID-05 ACDA-07 COME-00 EB-07 /095 W
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R 090614Z JUL 77
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 4595
CINCPAC
INFO AMEMBASSY DACCA
AMEMBASSY ISLAMABAD
AMEMBASSY KATHMANDU
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS

C O N F I D E N T I A L SECTION 1 OF 2 NEW DELHI 9717

E.O. 11652: GDS
TAGS: MASS, XX
SUBJECT: ASSESSMENT OF US SECURITY ASSISTANCE
PROGRAMS FOR FY 1979

REF: (A) STATE 133136 (DTG 091616Z JUN 77)
B(B) CINCPAC //J453//J4// (DTG 100454Z JUN 77) (NOTAL)

1. THE FOLLOWING IS THE COUNTRY TEAM'S REPLY TO REFTELS.
2. US ARMS SUPPLY AND MILITARY ASSISTANCE PROGRAMS TO INDIA MUST BE CONSIDERED WITHIN THE FRAMEWORK OF OUR POLICY FOR THE SUBCONTINENT. WE BELIEVE THAT THE PRINCIPLES THAT THE US WILL NOT BECOME A MAJOR SUPPLIER, WILL NOT DISTURB THE MILITARY BALANCE IN THE REGION, AND WILL PROVIDE ASSISTANCE ON A CASH ONLY BASIS SHOULD CONTINUE TO GOVERN. THIS POLICY IS DESIGNED TO SERVE OUR FUNDAMENTAL OBJECTIVE OF PROMOTING THE
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PROCESS OF NORMALIZATION OF RELATIONS IN THE REGION, PARTICULARLY BETWEEN INDIA AND PAKISTAN. WITHIN THIS FRAMEWORK, OUR PROJECTED PROGRAMS FOR FY 1979 ARE APPROPRIATELY SMALL.

3. SINCE THE THRUST OF THE REGIONAL ARMS POLICY AS WELL AS THE ADMINISTRATION'S OVERALL POLICY ON ARMS SUPPLY IS RESTRAINT, WHAT THEN ARE THE POSITIVE US INTERESTS SERVED BY

PROGRAMS OF MILITARY ASSISTANCE FOR INDIA? MOST IMPORTANT IS OUR INTEREST IN NOT LEAVING THE FIELD ENTIRELY TO THE USSR, WHICH BECAUSE OF ITS WILLINGNESS TO OFFER LONG-TERM CREDIT WILL PROBABLY CONTINUE FOR AT LEAST THE NEAR TERM TO BE INDIA'S PRINCIPAL SUPPLIER OF MILITARY EQUIPMENT. OUR OBJECTIVE IS NOT TO DISPLACE THE SOVIETS BUT ONLY TO KEEP OUR FOOT IN THE DOOR. THIS IS NECESSARY IN TERMS OF (1) OVERALL INDO-AMERICAN RELATIONS WHICH ARE IMPROVING, (2) OUR INTEREST IN CIRCUMSCRIBING SOVIET INFLUENCE IN INDIA, AND (3) THE NEED TO BE SEEN BY BOTH INDIA AND PAKISTAN AS PURSUING A MORE-OR-LESS EVEN-HANDED POLICY. HAVING STATED THIS, WE WOULD EMPHASIZE THE LIMITED ROLE ASSIGNED TO MILITARY ASSISTANCE PROGRAMS IN OUR TOTAL RELATIONSHIP WITH THE GOI.

4. THE GOI, BOTH THE CURRENT AND PREVIOUS REGIMES, SEES PAKISTAN AND CHINA AS THE PRINCIPAL THREATS TO INDIA'S SECURITY. THE INDIANS HAVE ADDRESSED THIS PERCEIVED DANGER BY A COMBINATION OF MILITARY PREPAREDNESS AND DIPLOMATIC EFFORTS TO IMPROVE BILATERAL RELATIONS. THE GOI ACKNOWLEDGES THAT THESE RELATIONS HAVE RECENTLY IMPROVED BUT VIEWS THE UNRESOLVED BORDER QUESTIONS AS POTENTIAL SOURCES OF CONFLICT.

5. IN OUR OPINION THE GOI NOW TAKES A MORE REALISTIC VIEW OF THE THREAT TO ITS SECURITY POSED BY PAKISTAN, BUT IT STILL EXAGGERATES THAT THREAT. CURRENT INDIAN VIEWS OF PAKISTAN ARE A PRODUCT OF HISTORIC AND HIGHLY EMOTIONAL ANTIPATHIES
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AS WELL AS THE NEED FOR SELF-JUSTIFICATION AND ENHANCEMENT BY THE MILITARY ESTABLISHMENT. THE THREAT TO INDIA POSED BY CHINA, WHILE POTENTIALLY GREATER THAN THAT FROM PAKISTAN, IS, IN OUR OPINION, PRESENTLY NOT SERIOUS. WHILE THE BORDER IS NOT DEFINED, THERE IS A DE FACTO LINE WHICH THE GOI HAS CHOSEN NOT TO CONTEST. AS LONG AS THE INDIANS DO NOT DISPUTE THE STATUS QUO, THE BORDER ISSUE SHOULD REMAIN DORMANT.

6. TO MEET THE PERCEIVED THREAT, THE GOI IS EMBARKED ON A PROGRAM OF MODERNIZING ITS AIR FORCE AND NAVY AND INCREASING THE NUMBER OF COMBAT UNITS, FIRE POWER, AND MOBILITY OF THE ARMY. US INTERESTS WARRANT SUPPORTING THIS PROGRAM IN ONLY A LIMITED WAY.

7. THE FOLLOWING ARE THE ITEMS IN A FY 1979 US SECURITY ASSISTANCE PROGRAM WHICH WE EXPECT THE GOI TO REQUEST. THE LIST IS PRESENTED ACCORDING TO THE GOI'S PRESUMED PRIORITY ORDER.

A. COMMUNICATIONS AND ELECTRONICS REPAIR/REPLACEMENT PARTS FOR THE SIX US GRANT-SUPPLIED SURVEILLANCE AND HEIGHT-FINDING RADARS (STAR SAPPHIRE PROJECT): THIS IS INDIA'S PRIMARY AIR

DEFENSE WARNING SYSTEM. THE GOI IS EXPECTED TO REQUEST THIS MATERIEL UNDER THE FMS CASH PROGRAM. WE RECOMMEND CONTINUED SUPPORT FOR THE STAR SAPPHIRE PROJECT TO DEMONSTRATE TO THE GOI THAT THE UNITED STATES IS A RELIABLE SUPPLIER OF SPARE PARTS FOR ITS OWN PROJECTS.

B. SPARE PARTS FOR US-MANUFACTURED AIRCRAFT (C-119G AND C-121): THE GOI IS EXPECTED TO REQUEST THIS MATERIEL UNDER BOTH THE FMS CASH AND COMMERCIAL SALES PROGRAMS. WE RECOMMEND PROVISION OF THESE SPARES THROUGH THESE CHANNELS TO SUPPORT THE US AIRCRAFT, WHOSE MISSIONS ARE ESSENTIALLY LOGISTICAL AND MARITIME SURVEILLANCE (THE C-119G AND C-121, RESPECTIVELY).

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C. THE PEACE INDIGO PROJECT: IN MAY 1968, THE US AGREED TO PROVIDE AN FMS CREDIT TO FUND THE COMPLETION OF THE COMMUNICATIONS NETWORK OF THE STAR SAPPHIRE RADAR SYSTEM. \$17 MILLION WAS PROVIDED AT A 3 PERCENT INTEREST RATE, REPAYABLE OVER 10 YEARS. AT PRESENT APPROXIMATELY \$14.6 MILLION AS BEEN OBLIGATED, AND REPAYMENTS ARE CURRENT. THE GOI HAS NOW REQUESTED AN EXTENSION OF THE LAST DATE FOR DISBURSEMENTS FROM 1 MARCH 1977 TO 30 JUNE 1979. WE RECOMMEND THIS EXTENSION TO ENSURE THE COMPLETION OF THIS US PROJECT.

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C O N F I D E N T I A L SECTION 2 OF 2 NEW DELHI 9717

D. TRAINING, UNDER THE IMET PROGRAMS: THE GOI HAS INDICATED AN INTEREST IN EXPANDING THIS PROGRAM SOMEWHAT ABOVE THE \$300,000 PLANNING LEVEL WHICH WE HAD PROJECTED FOR FY 1979. WE CONSIDER A TRAINING PROGRAM UP TO \$400,000 AS JUSTIFIED FOR FY 1979. BY BEING RESPONSIVE TO THE GOI'S INTEREST IN EXPANDING THE TRAINING PROGRAM, WE WOULD INDICATE TO THE DESAI ADMINISTRATION IN A MODEST BUT MEANINGFUL WAY THE US INTEREST IN STRENGTHENING ALL ASPECTS OF OUR BILATERAL RELATIONSHIP. WITHIN SUCH LEVELS THIS PROGRAM, TO A LIMITED BUT USEFUL DEGREE, ENABLES THE US TO MAINTAIN CONTACT WITH INDIAN MILITARY PERSONNEL WHO ARE NOW OR IN THE FUTURE WILL BE IN SENIOR POLICY LEVEL POSITIONS. WE AGREE WITH REFTEL A THAT THE IMET PROGRAM SHOULD FOCUS ON PROFESSIONAL RATHER THAN EQUIPMENT-RELATED TRAINING. FOR THE MOST PART THE INDIAN PROGRAM HAS EMPHASIZED COURSE IN DEFENSE ESTABLISHMENT MANAGEMENT. GIVEN THE NATURE OF US SECURITY ASSISTANCE PROGRAMS, THE GOI HAS NOT SHOWN ANY INTEREST IN EQUIPMENT-RELATED TRAIN-
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ING. ASSUMPTION BY THE GOI OF THE TRAVEL AND LIVING COSTS OF THE TRAINING PROGRAM WOULD BE A STRONG INDICATION THAT IT CONSIDERS THE PROGRAM PROFESSIONALLY USEFUL TO THE PARTICIPANTS AND THAT IT FAVORS THEIR BEING EXPOSED TO THE UNITED STATES. WE ARE IN THE PROCESS OF RAISING THIS ISSUE WITH THE GOI.

E. REPAIR AND REPLACEMENT PARTS FOR THE MAP-PROVIDED HIGHWAY CONSTRUCTION EQUIPMENT UTILIZED IN THE BUILDING OF THE EAST-WEST HIGHWAY IN NEPAL: WE HAVE PROGRAMMED APPROXIMATELY \$160,000 EACH YEAR UNTIL 1982 FOR THIS PURPOSE UNDER MAP AND RECOMMEND THAT WE ADHERE TO THESE PLANS. THIS HIGHWAY, WHOSE CONSTRUCTION INVOLVES THE GOVERNMENTS OF INDIA, NEPAL AND THE US, IS OF TACTICAL AND ECONOMIC IMPORTANCE TO INDIA AND NEPAL. WE SHOULD CONTINUE TO CONTRIBUTE TO ITS COMPLETION IN THE INTEREST OF OUR RELATIONSHIPS WITH BOTH COUNTRIES.

F. JATO MARK 91 ROCKET BOOSTERS (IN LIMITED QUANTITIES) FOR THE CHUKAR TARGET DRONE SYSTEM: THE GOI IS EXPECTED TO REQUEST THESE BOOSTERS UNDER THE FMS CASH PROGRAM. SINCE THE DRONE SYSTEM IS USED FOR TRAINING IN GUNNERY PROFICIENCY AND AS SUCH HAS LIMITED OFFENSIVE UTILITY, WE RECOMMEND ALLOWANCE OF THIS ITEM. IN THE PAST THE US SUPPLIED AN OLDER VERSION OF THIS EQUIPMENT.

8. FOR NONE OF THE ABOVE ITEMS WOULD A LESS COSTLY OR LESS SOPHISTICATED VERSION BE ACCEPTABLE TO THE GOI. THEREFORE, OUR OPTION IS TO REFUSE TO PROVIDE THE ITEM RATHER THAN PROPOSE AN ALTERNATIVE.

9. GIVEN THE LIMITED SIZE OF THE PROGRAM DESCRIBED ABOVE, WE DO NOT BELIEVE THAT IT WILL SIGNIFICANTLY AFFECT INDIA'S ECONOMY, DEBT SERVICE CAPABILITY, OR DEVELOPMENT PLANS. (SEE CONFIDENTIAL

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10. THE ONLY ITEM WHICH MAY REQUIRE USG OR CIVILIAN CONTRACT PERSONNEL TO BE SENT TO INDIA IS THE "MOBILE DEPOT MAINTENANCE" OF THE STAR SAPPHIRE RADAR SYSTEM NOW BEING CONDUCTED BY THE INDIAN AIR FORCE. THIS WORK WAS INITIALLY PERFORMED BY 21 USAF PERSONNEL ON THE NEW DELHI SITE IN 1976. THE EXPERIENCE WAS ENTIRELY SATISFACTORY, AND WE DO NOT FORESEE ANY PROBLEMS IF ONE OR TWO USAF TECHNICIANS ARE REQUIRED FOR ASSISTANCE.

11. THE USSR AND A NUMBER OF EUROPEAN COUNTRIES ARE AVAILABLE TO SUPPLY MILITARY EQUIPMENT TO INDIA. WHILE SUCH PROCUREMENT MAY NOT BE THE GOI'S FIRST CHOICE (US EQUIPMENT ENJOYS AN EXCELLENT REPUTATION HERE) US REFUSAL TO ASSIST DOES NOT APPEAR TO PRESENT ANY REAL DIFFICULTIES TO THE GOI.

12. THE APPROVAL OR DENIAL OF SECURITY ASSISTANCE REQUESTS WILL NOT AFFECT HUMAN RIGHTS PRACTICES IN INDIA UNDER THE PRESENT GOVERNMENT, WHICH HAS SUBSTANTIALLY RESTORED THE CIVIL LIBERTIES SURPRESSED DURING THE EMERGENCY PERIOD.

13. SINCE NO MAJOR ITEMS ARE INCLUDED IN THE PROJECTED MILITARY ASSISTANCE PROGRAM FOR INDIA FOR FY 1979, THE PROGRAM WILL NOT SIGNIFICANTLY AFFECT ARMS ACQUISITION POLICIES OF OTHER COUNTRIES IN THE REGION. THIS IS CONSONANT WITH OUR ARMS SUPPLY POLICY FOR THE REGION.

14. IN THE ABSENCE OF AN INTERNATIONAL ACCORD, INDIA IS NOT LIKELY TO UNILATERALLY LIMIT ITSELF EITHER AS A PURCHASER OR SUPPLIER OF CONVENTIAL ARMS. AS A MINIMUM THE GOI WOULD INSIST ON A POLICY OF RESTRAINT BEING FOLLOWED BY CHINA, PAKISTAN, AND PROBABLY IRAN AND THE OTHER GULF STATES WHICH COULD TRANSFER ARMS TO PAKISTAN.
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